

SWBT Is Not Operationally Ready

58. Equally important, even for those functions for which SWBT has an automated interface, SWBT is not operationally ready. First, SWBT should not tout the readiness of its systems based on its offer of EASE. Whether EASE is ready is simply not important. EASE is a non-standardized interface that offers even less functionality than SWBT's current EDI interface. In addition to its unavailability for large business orders or complex services, EASE is not available for ordering any unbundled elements whatsoever; and it requires ordering information to be retyped from a CLEC's systems into SWBT's systems. In any case, it is not obvious that EASE is actually ready. To MCI's knowledge, it has not even been tested by any CLECs.

59. SWBT's claims of operational readiness also cannot be based on its offer of LEX. All that SWBT says about LEX is that it is "being developed" and that it "will be available. . . ." Ham Aff. ¶ 32. SWBT does not say that it is available, nor that it has been successfully tested. In its demonstration to MCI, SWBT made clear that LEX will have very limited functionality when it becomes available. In addition, although LEX uses standard Local Service Request forms, LEX is not a standardized interface and it does not connect SWBT systems to CLEC systems.

60. As a result, the interface to focus on in evaluating SWBT's readiness is EDI. SWBT has certainly not shown that its EDI interface is operational for either ordering or provisioning. SWBT does not claim that it has ever used its EDI interface to process orders from any CLEC. It does not even claim that it has successfully completed internal testing of its EDI interface, let alone provide any details regarding the types of tests it has completed, such as whether the tests encompassed both resale and unbundled elements and whether they

encompassed both ordering and provisioning. It claims only that it “anticipate[s] that AT&T will be ready to test sometime in the April time frame.” Ham Aff. ¶ 29 (emphasis added). As a result, it is impossible to conclude that SWBT’s EDI interface and downstream business processes work in a satisfactory manner. As SWBT forthrightly acknowledges, it necessarily takes time for carriers to develop internal support systems and coordinate with each other. Ham Aff. ¶ 29. The critical bottom-line, from an OSS standpoint, is that SWBT must have real experience handling orders before anyone can say that its systems work the way they should.

61. MCI’s own experiences with Ameritech’s newly implemented EDI ordering system emphasize this point. After Ameritech announced that its EDI interface was operationally ready in Illinois, MCI submitted three test orders for resale service. All three orders encountered significant problems including: 1) the failure to successfully migrate ordered lines until **weeks after** Ameritech had assured MCI that the lines had been migrated; 2) the loss of features during migration -- e.g., the customer had ordered call forwarding but this feature was no longer provided after migration; and 3) the listing of incorrect phone numbers for migrated lines in the Firm Order Confirmation. Additional testing has revealed additional errors; many of MCI’s orders have incorrectly “errored out,” and many functions that Ameritech claimed were supported electronically were not actually supported. The simple lesson is this: errors happen unexpectedly. After all, each of these problems occurred despite the extensive internal testing Ameritech claimed that it performed prior to putting its automated resale interfaces into operation. As I have explained, system implementation ordinarily does reveal system errors, which (hopefully) are then corrected. What is both surprising and disconcerting is that while SWBT appears to understand this ordinary de-bugging process, it nonetheless claims that its promise to implement interfaces

which have not yet even been successfully tested is sufficient to show that it is already providing non-discriminatory OSS.

SWBT Has Not Committed to Use of Industry Standard Feature Identification Codes

62. Moreover, even if SWBT had successfully implemented EDI, this would not be sufficient to demonstrate that it had provided the ordering parity required by the Telecommunications Act. The mere fact that SWBT will use an EDI interface does not provide an answer to the question whether the ordering process conforms to industry standards. SWBT has not committed to employing the industry conventions for feature identification codes. Feature identification codes identify particular services or functions. Even if the ILEC is employing a proper EDI format, a CLEC must employ the correct feature identification code for each service or function it wants to order or the transaction will "error out."

63. There are literally tens of thousands of services and functions that support feature identification codes. In the past, the codes have not been industry standards. Each ILEC, including SWBT, could, and often did, assign idiosyncratic "USOC" codes to services. Sometimes these codes even varied by states within an ILEC.

64. The thousands of necessary codes make it essential that a CLEC have an easy way of determining the correct codes. For these reasons, SWBT, like all BOCs, should be expected to implement the recently approved Telecommunications Industry Forum/ Electronic Data Interchange/ Service Order Sub-Committee (TCIF/EDI/SOSC) industry standard EDI Feature Code Listing. To date, SWBT has made no such commitment. In fact, in its negotiations with AT&T, SWBT apparently refused to use industry standard feature codes on the grounds that the

industry had not yet agreed on codes for all types of orders. Dalton Affidavit ¶ 61 (filed by AT&T in State 271 Proceedings, Appendix Vol. IV, Tab 21). But the TCIF/EDI/SOSC deliberately standardized codes for the most frequently ordered services first, while continuing to work on standardizing others, so that CLECs could order the most frequently used products with standard codes and have to resort to proprietary codes only for more rarely ordered products. The TCIF/EDI/SOSC continues to work on standardizing more USOCs, but this is hardly an excuse for SWBT not to employ those important codes that have already been standardized.

65. MCI's experience with using proprietary USOCs with other BOCs is not encouraging. Ameritech, for example, has furnished MCI a printed USOC guide organized only by USOC code, not by service or facility. And the service descriptions provided, whether in the guide or on line, are often intolerably cryptic or ambiguous -- for example, two or more codes often correlate with the exact same verbal description of a service or facility. Consequently, MCI has been compelled on many occasions to fax or e-mail particular USOC questions to designated Ameritech representatives. Ameritech's processing of these questions has been poor. On one occasion, for example, Ameritech took almost a month to provide a still-incomplete answer to the question of the proper USOC codes to place specific orders for the resale of trunks. Needless to say, CLECs' lack of satisfactory access to Ameritech's internal USOC codes causes significant competitive harms because it creates a substantial risk that CLECs will input incorrect or out-of-date USOC codes. SWBT has not demonstrated that it will provide USOC codes in a manner sufficient to avoid these competitive harms.

Maintenance and Repair

66. SWBT proposes an electronic bonding (“EB”) solution as one of its two options for repair and maintenance functions. Ham Aff. ¶ 38. This is the current industry standard specification. Although it will be essential for ILECs to upgrade to a specification (now in development at the ECIC) that allows for true bi-directional, “agent-to-agent” communication when such interfaces become available, MCI fully supports the EB interface SWBT purports to have deployed for the present.

67. While this is a positive development, unfortunately SWBT provides little reason to believe that its interface will function adequately if ordered. To MCI’s knowledge, no CLEC has yet employed this interface. Moreover, SWBT does not provide any indication of how it tested this interface. Instead, SWBT bases its view that its EB interface has been sufficiently tested entirely on the fact that it has used that interface successfully in connection with the provision of access services. SWBT Brief at 27; Ham Aff. ¶ 38. In my opinion, SWBT reads its experience in the access arena for far more than it is worth.

68. The maintenance and repair processes involved in the access arena are, in many respects, quite different from those that will be necessary when competing carriers are using unbundled elements to provide local service. With local service, the ILEC must, among other things, be able to request authorization to perform work activities at the CLEC customer’s site, and to receive communication of trouble history information from the CLEC. SWBT therefore has had to enhance its EB interface to perform local maintenance functions. Ham Aff. ¶38. SWBT also acknowledges that there are many important enhancements which it has not yet made.

Ham Aff. ¶38. Once again, SWBT should not be able to point to the absence of completed standards as a justification to enter the long distance market without developing adequate functionality. SWBT should supplement the functionality agreed to by the industry until the industry standards are complete.

69. In addition to the general differences between access and local services regarding the types of communication that must be exchanged, specific problems are presented by the fact that SWBT, like several other BOCs, uses two trouble handling systems: Work Force Administration (WFA) and Loop Maintenance Operating System (LMOS). When another carrier sends a trouble ticket to SWBT (via the EB interface), that ticket will be routed to either WFA or LMOS depending entirely on the category of service against which the trouble is written: access services are routed to WFA for resolution, and local services are routed to LMOS. The LMOS system is severely limited in its ability to support cases of trouble sent over SWBT's OSS interface. These limitations are due to the fact that LMOS has far fewer dedicated fields than WFA for the presentation of information to the SWBT technician. Consequently, much of the information that an MCI technician enters in an access service ticket destined for SWBT's WFA system today will be invisible to the SWBT technician looking at a local service trouble report presented in SWBT's LMOS system tomorrow. The MCI technician has no view into the LMOS system, and thus has no way of knowing what data will be presented to an LMOS user, and what will be lost. However, a SWBT technician inputting a trouble report does not suffer from the same handicap. Because the SWBT technician's access to LMOS is not mediated by an OSS gateway, he or she has visibility into the data presentation limitations of LMOS, and therefore will enter no more information than can be presented to a user at a later time. Thus, the level of

service LMOS provides to SWBT's local service customers will be greater than it could provide to MCI's local service customers.

70. For these reasons, the extent to which SWBT's relative success with its EB interface in exchanging trouble reports for access service is translatable to the local exchange markets remains, at best, uncertain. Whether the operational processes necessary to support maintenance and repair in the context of unbundled network elements used to provide local exchange service will prove satisfactorily coordinated with the EB interface SWBT uses in the access environment is a factual question that, at this point, remains unanswered.

71. SWBT also cannot rely on the other interface it offers for maintenance and repair, the Trouble Administration (TA) feature of the SWBT Toolbar as evidence of the working nature of its maintenance and repair interfaces. SWBT acknowledges that as with EB, it has had to modify TA for the local environment. Ham Aff. ¶ 37. SWBT does not point to any evidence that shows that these modifications will work as promised. More important, TA does not provide adequate functionality. TA is a proprietary interface. Because it would not connect to MCI's own trouble systems, it would require MCI to re-type information received -- creating errors, delay and inflated costs.

Billing

72. The billing function encompasses two discrete sub-functions: daily usage reports that provide the information required to enable CLECs to bill their end users, and monthly bills detailing what the CLEC owes the ILEC.

73. SWBT states that it will provide daily usage feeds in EMR. Ham Aff. ¶ 44.

EMR is the appropriate format for daily usage feeds. However, it is not entirely clear from Ms. Ham's affidavit whether SWBT intends to provide daily usage feeds for all calls. SWBT should be required to clarify this issue. Obviously, if SWBT has not committed to provide daily usage feeds for all calls, it does not provide adequate access to billing functions.

74. SWBT does not commit to provide its monthly summary bills for resale in industry standardized CABS (Carrier Access Billing System) BOS (Billing Output Specification) mechanized format. SWBT states that it will provide monthly summary bills for resale in industry standardized EDI CRIS (Customer Record Information System) format. Ham Aff. ¶ 41. But this is extremely misleading. CABS BOS, not CRIS, is the approved OBF standard for resale billing. The CRIS system is designed for end-user billing and is not a system which is adequate for billing of resellers. Even SWBT's merger partner, PacBell, has committed to use CABS BOS.

75. CABS is the standard billing format in the interexchange context, and MCI would have to substantially alter its billing system to employ the CRIS system. Such alteration would be particularly difficult, because CRIS varies tremendously from ILEC to ILEC and even across states within an ILEC. Moreover, the CABS BOS format is needed to ensure that CLECs can audit their bills. Unlike CABS, CRIS provides no usage-sensitive data and is entirely inauditable. The bill contains no call detail and does not even specify the billing period.

76. As it is for resale, CABS BOS is the approved industry standard for unbundled loops and switch ports. It is likely to soon be approved for other unbundled elements as well. SWBT's position on whether it will employ CABS BOS for monthly summary bills for unbundled elements is less clear than its position for resale. SWBT states that it makes available an EDI

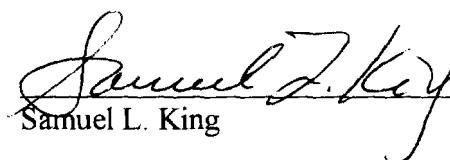
interface to receive data from its CABS database. I am unsure what this means. BOS, not EDI, is the interface that makes bills available in CABS format. My uncertainty is increased by the fact that SWBT has told MCI that it will not make CABS BOS available for all unbundled elements.

77. In addition to its failure to commit to CABS BOS, SWBT again fails to show that its systems are operationally ready. No CLECs have employed SWBT's daily usage feed -- a feed with which SWBT has not had any prior experience in other contexts -- in a competitive environment. Ham Aff. ¶ 44, 45. The accuracy, timeliness, and accessibility of usage feeds are matters of tremendous importance. It is common knowledge that problems which plagued Sprint's billing systems in the late 1980s -- resulting in long-delayed and inaccurate subscriber bills -- cost that carrier tens of millions of dollars in lost revenue and incalculable consumer goodwill.⁹ In short, because problems with a BOC's usage feeds can prove disastrous to CLECs, and because it will be very difficult for regulators to determine whether a BOC is truly doing all it can to resolve any errors that might arise,¹⁰ it is critical that all billing systems be proven to work in actual competitive use and at meaningful capacity before a BOC is found to have satisfied the requirements of section 271.

⁹ See, for example, Calvin Sims, Errors Continue to Plague U S Sprint's Billing System, NY Times, at D1 (Mar. 3, 1988).


¹⁰ See Mike Wills, Sorry, Wrong Number: New Wireless Phone Firms Plagued by Billing Problems, Wash. Post, at D1 (Sept. 6, 1996) (noting "that getting the services to market is only half the battle: Getting the numbers right on the monthly bill is more complex and glitch-prone than many companies expect").

I hereby swear, under penalty of perjury, that the foregoing is true and correct, to the best of my knowledge and belief.


Samuel L. King

Subscribed and sworn before me this 30th day of April, 1997.

State of Virginia
County of Fairfax


Notary Public

My commission expires: My Commission Expires February 28, 1999

Comparison of Oklahoma Interim Rates and Hatfield Rates*

	Interim Rate	Hatfield Rate
Total Loop - Voice Grade Analog	Zone A \$49.30 Zone B \$27.75 Zone C \$20.70	Zone 1 \$69.84 Zone 2 \$29.69 Zone 3 \$13.60 Zone 4 \$11.05 Zone 5 \$ 9.89 Zone 6 \$ 9.93
Local Switching Port	\$3.00	\$1.38
Local Switching Usage	Zone A \$.007598 Zone B \$.005965 Zone C \$.005775	\$.0025

*From Revised Late-Filed Exhibit 130, AT&T Application for Compulsory Arbitration, Attachment 1 to this exhibit.

Comparison of Oklahoma Interim Rates and FCC Proxy Ceilings*

Element	FCC Proxy Ceiling	OCC interim rate
local loop	\$17.63	\$49.30 (Zone A) \$27.75 (Zone B) \$20.70 (Zone C)
local switching	\$0.002 - 0.004 MOU	\$0.007598 MOU (Zone A) \$0.005965 MOU (Zone B) \$0.005775 MOU (Zone C)
tandem switching	not > \$0.0015 MOU	\$0.002822 MOU

*From Revised Late-Filed Exhibit 130 and FCC First Report and Order, Appendix B.

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICATION OF AT&T COMMUNICATIONS)
OF THE SOUTHWEST, INC. FOR COMPULSORY)
ARBITRATION OF UNRESOLVED ISSUES WITH)
SOUTHWESTERN BELL TELEPHONE COMPANY)
PURSUANT TO §252(b) OF THE)
TELECOMMUNICATIONS ACT OF 1996)

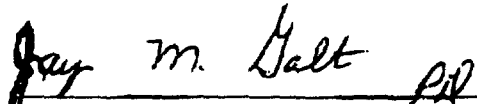
CAUSE NO. PUD 960000218

FILED
OCT 28 1996

NOTICE OF REVISED LATE-FILED EXHIBIT COURT CLERK'S OFFICE - OKC
CORPORATION COMMISSION
OF OKLAHOMA

AT&T Communications of the Southwest, Inc. ("AT&T") has submitted its revised Late-
Filed Exhibit 130 by Robert P. Flappan to the Arbitrator, Southwestern Bell Telephone Company,
and the staff of the Oklahoma Corporation Commission. AT&T will provide a copy to any
Intervenor who executes a Proprietary Agreement in the form approved by Order No. 404220.

Respectfully submitted,


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CERTIFICATE OF MAILING

I, the undersigned, hereby certify that on the 28th day of October, 1996 a true and correct copy of the foregoing was mailed, postage prepaid, to the following:

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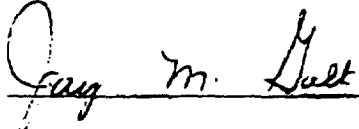
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Jay M. Galt

PR

**VOICE GRADE
RECURRING LOOP ELEMENT RATES**

	<u>AT&T Proposed Rate</u>	<u>SWBT Proposed Rate</u>	<u>Commission Decision</u>
<u>LOOP ELEMENT</u>			
NETWORK INTERFACE DEVICE	Zone 1 \$0.62 * Zone 2 \$0.61 * Zone 3 \$0.56 * Zone 4 \$0.56 * Zone 5 \$0.56 * Zone 6 \$0.45 *	N/A N/A N/A N/A N/A N/A	
LOOP DISTRIBUTION (W/O NID)	Zone 1 \$53.16 * Zone 2 \$22.58 * Zone 3 \$7.87 * Zone 4 \$5.48 * Zone 5 \$4.62 * Zone 6 \$4.66 *	N/A N/A N/A N/A N/A N/A	
LOOP CONCENTRATION	Zone 1 \$6.46 * Zone 2 \$3.25 * Zone 3 \$2.53 * Zone 4 \$2.12 * Zone 5 \$1.89 * Zone 6 \$1.70 *	N/A N/A N/A N/A N/A N/A	
LOOP FEEDER	Zone 1 \$9.59 * Zone 2 \$3.25 * Zone 3 \$2.64 * Zone 4 \$2.90 * Zone 5 \$2.81 * Zone 6 \$3.12 *	N/A N/A N/A N/A N/A N/A	
TOTAL LOOP - VOICE GRADE ANALOG	Zone 1 \$69.84 * Zone 2 \$29.69 * Zone 3 \$13.60 * Zone 4 \$11.05 * Zone 5 \$9.89 * Zone 6 \$9.93 *	Zone A \$49.30 Zone B \$27.75 Zone C \$20.70	

* Hatfield Model

OTHER RECURRING RATES

	AT&T Proposed Rate	SWBT Proposed Rate	Commission Decision
ISDN Loops			
Basic Rate Interface (BRI) (2-wire)	zone A \$54.37 ** zone B \$41.68 ** zone C \$38.05 **	zone A \$92.95 zone B \$60.20 zone C \$51.35	
Primary Rate Interface (PRI) (4-wire)	zone A \$128.32 ** zone B \$115.76 ** zone C \$111.06 **	zone A \$197.55 zone B \$171.70 zone C \$162.75	
Loop dB Loss Conditioning		\$7.65	
LOCAL SWITCHING PORT - VG	\$1.38 *	\$3.00	
LOCAL SWITCHING USAGE	\$0.0025 *	zone A \$.007598 zone B \$.005965 zone C \$.005775	
TANDEM SWITCHING	\$0.0015 *****	\$.002822	
COMMON TRANSPORT	0.000276 per minute ***** \$0.00003 per mile	zone A \$.000621 zone B \$.000393 zone C \$.000519	
DEDICATED TRANSPORT DS-0	\$4.16 per link *	\$17.46 per month and \$1.12 per mile	
DEDICATED TRANSPORT DS-1	\$99.84 per month per link *	\$51.30 per month and \$17.70 per mile	
DEDICATED TRANSPORT DS-3	\$2.797 per month per link *	\$815 per month and \$118 per mile	
SIGNALING LINKS	\$23.36 per link per month *	\$51.30 per month and \$17.70 per mile	
800 SERVICE QUERY	\$0.0018 per query *	See SWBT Rates under Signaling Section	
LIDB PER VALIDATION CHARGE	\$0.0018 per query *	See SWBT Rates under Signaling Section	

- * Hatfield Model - OK
- ** SWBT - TX
- *** TX/AT&T Subject Matter Expert
- **** SWBT-OK
- ***** FCC Proxy

OTHER RECURRING RATES

	AT&T Proposed Rate	SWBT Proposed Rate	Commission Decision
SIGNAL TRANSFER POINT	\$0.00007 per message *	See SWBT Rates under Signaling Section	
SIGNAL CONTROL POINT	\$0.00083 per message *	See SWBT Rates under Signaling Section	
OPERATOR SERVICES FUNCTIONS	\$0.2389 per line per month *	See Springfield Schedule 3	
<u>Cross Connects (with/without testing)</u>			
Analog Loop - MDF to:			
Cage (Same C.O.)			
2-wire cross connect	\$1.78/\$0.05 ***	\$1.95	
4-wire cross connect	\$3.55/\$0.05 ***	\$3.90	
Cage (Interoffice)			
2-wire cross connect	\$3.73/\$0.05 ***	\$4.95	
4-wire cross connect	\$5.02/\$0.05 ***	\$6.65	
SWBT Multiplexer			
2-wire cross connect	\$3.73/\$0.05 ***	\$4.95	
4-wire cross connect	\$5.02/\$0.05 ***	\$6.65	
Digital Loop - MDF to:			
Cage (Same C.O.)			
2-wire BRI	\$1.78/\$0.05 ***	\$1.95	
4-wire PRI	\$9.55/\$0.05 ***	\$10.50	
Cage (Interoffice)			
2-wire BRI	\$8.93/\$0.05 ***	\$11.85	

- * Hatfield Model - OK
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OTHER RECURRING RATES

	AT&T Proposed Rate	SWBT Proposed Rate	Commission Decision
SWBT Multiplexer			
2-wire BRI	\$8.93/\$0.05 ***	\$11.85	
Local Switching			
BRI Port	\$4.92 **	\$6.70	
PRI Port	\$152.69 **	\$215.70	
Signaling			
STP Port	\$668.81 **	\$1001.40	
STP Trunk Signaling	\$0.00000114 per octet **	\$0.00000138 per octet	
800 Service Query - Simple	\$0.00055 per query **	\$0.000712 per query	
800 Service Query - Complex	\$0.000638 per query **	\$0.000831 per query	
LIDB Query	\$0.00033 per query **	\$0.000356 per query	
CNAM Query	\$0.00033 per query **	\$0.000356 per query	

* Hatfield Model - OK

** SWBT - TX

*** TX/AT&T Subject Matter Expert

**** SWBT-OK

NON-RECURRING RATES

	<u>AT&T</u> <u>Proposed Non-</u> <u>recurring Rate -</u> <u>First</u>	<u>AT&T Proposed</u> <u>Non-recurring</u> <u>Rate -Additional</u>	<u>SWBT</u> <u>Proposed Non-</u> <u>recurring Rate</u> <u>- First</u>	<u>SWBT</u> <u>Proposed Non-</u> <u>recurring Rate</u> <u>-Additional</u>	<u>Commission</u> <u>Decision</u> <u>Non-recurring</u> <u>Rate</u>	<u>Commission</u> <u>Decision</u> <u>Non-recurring</u> <u>Rate-Additional</u>
2 Wire VG Analog Loop	\$39.30 **	\$6.05 **	\$47.45	\$19.80		
Basic Rate Interface (2-wire)	\$39.30 **	\$6.05 **	\$118.00	\$61.85		
Primary Rate Interface Loop (4-wire)	\$278.75 ****	\$109.85 ****	\$278.75	\$109.85		
Loop dB Loss Conditioning			\$43.00	\$16.00		
Cross Connects						
Analog Loop - MDF to:						
Cage (Same C.O.)						
2-wire cross connect	\$23.55 **	\$23.55 **	\$68.95	\$65.65		
4-wire cross connect	\$31.46 **	\$31.46 **	\$81.60	\$78.30		
Cage (Interoffice)						
2-wire cross connect	\$98.17 **	\$80.61 **	\$101.40	\$93.20		
4-wire cross connect	\$111.03 **	\$93.48 **	\$118.95	\$110.70		
SWBT Multiplexer						
2-wire cross connect	\$98.17 **	\$80.61 **	\$101.40	\$93.20		
4-wire cross connect	\$111.03 **	\$93.48 **	\$118.95	\$110.70		
Digital Loop - MDF to:						
Cage (Same C.O.)						
2-wire BRI	\$23.55 **	\$23.55 **	\$68.95	\$65.65		
4-wire BRI	\$75.62 **	\$47.26 **	\$81.60	\$78.30		
Cage (Interoffice)						
2-wire BRI	\$98.17 **	\$80.61 **	\$101.40	\$93.20		
SWBT Multiplexer						
2-wire BRI	\$98.17 **	\$80.61 **	\$101.40	\$93.20		

* Hatfield Model - OK

** SWBT - TX

*** TX/AT&T Subject Matter Expert

**** SWBT-OK

***** FCC Proxy

As shown in Eugene F. Springfield's direct testimony.

NON-RECURRING RATES

	<u>AT&T Proposed Non- recurring Rate - First</u>	<u>AT&T Proposed Non-recurring Rate -Additional</u>	<u>SWBT Proposed Non- recurring Rate - First</u>	<u>SWBT Proposed Non- recurring Rate -Additional</u>	<u>Commission Decision Non-recurring Rate</u>	<u>Commission Decision Non-recurring Rate-Additional</u>
Local Switching						
Port	\$80.50.****	\$72.25.****	\$80.50	\$72.25		
BRI Port	\$13.05.****	\$7.15.****	\$13.05	\$7.15		
PRI Port	\$431.35.****	\$196.45.****	\$431.35	\$196.45		
Interoffice Transport						
Dedicated	Interstate Rates	Interstate Rates	Interstate Rates	Interstate Rates		
Common	Interstate Rates	Interstate Rates	Interstate Rates	Interstate Rates		
Service Order Charge	\$24.68 **	\$24.68 **	\$24.75 #	\$24.75 #		

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- # As shown in Eugene F. Springfield's direct testimony.

BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)	
)	
Application of SBC Communications,)	
Inc. Pursuant to Section 271 of the)	
Telecommunications Act of 1996 to)	CC Docket No. 97-121
Provide In-Region, InterLATA)	
Services in Oklahoma)	

AFFIDAVIT OF DALE N. HATFIELD

I. Introduction

MCI Telecommunications Corporation has asked me to analyze certain issues raised by the application of Southwestern Bell Telephone Company, *et al.*¹ under Section 271 of the Telecommunications Act of 1996 ('96 Telecommunications Act'), for authorization to provide in-region, interLATA services originating in Oklahoma. More specifically, it has asked me to (a) offer an opinion on the short-to-medium term prospects for facilities-based competition in the provision of local exchange facilities and services, (b) describe certain technological changes that are occurring in local exchange networks, and (c) evaluate the power and ability of SWBT to engage in anticompetitive, discriminatory activities harming long-distance competition given those prospects and the technological changes.

Before presenting my summary and conclusions, I will briefly set forth my relevant experience in the telecommunications field. I am a telecommunications consultant and founder and Chief Executive Officer of Hatfield Associates, Inc., a telecommunications consulting firm.

¹ Hereafter, the applicants are referred to collectively as Southwestern Bell Telephone Company or "SWBT."

I received a Bachelor of Science degree in Electrical Engineering from Case Institute of Technology in 1960, and a Master of Science degree in Industrial Management from Purdue University in 1961. From 1963 until 1971, I was employed as a communications engineer with the Institute for Telecommunication Sciences of the U.S. Department of Commerce. Between 1971 and 1974, I held various communications policy analyst positions with the Office of Telecommunications in the Department of Commerce. In 1974, I was appointed Deputy Chief of the Office of Studies and Analysis, Office of Telecommunications Policy, Executive Office of the President. In 1975, I moved to the Federal Communications Commission where I became Chief of the Office of Plans and Policy. In 1977, I returned to the Department of Commerce where I became Associate Administrator for Policy Analysis and Development, National Telecommunications and Information Administration. In 1981, I was appointed Deputy Assistant Secretary of Commerce for Communications and Information and Deputy Administrator of the National Telecommunications and Information Administration.

In 1982, I left government and established my own consulting firm. For the past fourteen years, our firm has specialized in engineering, economic, and policy studies in the telecommunications field. I was the founding Director of the Telecommunications Division of the University College at the University of Denver and I am an adjunct professor in the Graduate Program in Telecommunications at the University of Colorado at Boulder. I was also a Senior Fellow of Northwestern University's Annenberg Washington Program in Communications Policy Studies until its closing last year. For over a decade, I have taught a regular series of seminars on telecommunications technology for policymakers and regulators in Washington, D.C. I have taught similar courses for the Federal Communications Bar Association, for the National

Association of Regulatory Utility Commissioners and for other public and private entities. For the past four years, I have been teaching a series of seminars on telecommunications policy and regulation in Central and Eastern Europe. As a consultant and expert witness, I have testified before the state public utility commissions in Arizona, California, Colorado, Connecticut, Idaho, Missouri, Nevada, New Mexico, Ohio and Washington as well as before the Federal Communications Commission and the Canadian Radio-television and Telecommunications Commission. I have also testified in federal court and before the Congress on antitrust and other matters.

From these activities in the public, private, and academic spheres, I am familiar with (a) the technical and economic aspects of the organization and operation of telecommunications networks in the United States and (b) the issues raised by SWBT's application, under Section 271 of the '96 Telecommunications Act, for authorization to provide interLATA services originating in Oklahoma.

Summary and Conclusions

I have been asked to analyze certain issues raised by SWBT's application, under Section 271 of the '96 Telecommunications Act, for authorization to provide interLATA services originating in Oklahoma. Based upon that analysis, which is described in detail herein, I have reached three fundamental conclusions:

First, the incumbent local exchange carriers, including SWBT, will retain bottleneck control over the local exchange network for the foreseeable future. Hence, they will continue to have the power to discriminate against not only unaffiliated long-distance carriers, but emerging, competitive local exchange carriers as well.